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APEC Charts New Course in Opening Global Markets to Trade

Montreal -- Building on President Clinton's leadership on APEC trade issues last year, Trade Ministers from the 18 APEC economies agreed today to measures that expand APEC's role as a catalyst for global market-opening initiatives. Motivated by last year's success in spurring the Information Technology Agreement (ITA), APEC Trade Ministers agreed to take the lead in pursuing an "ITA II" initiative to expand trade in this area. Additionally, APEC Ministers agreed to push for a financial services trade agreement in the WTO, and established an expedited process for identifying and pursuing new sectoral market-opening initiatives.

"We have seen a sea-change in APEC over the past year," said U.S. Trade Representative Charlene Barshefsky. "After our success in bringing the ITA on line, there is now a recognition of APEC's ability to set an agenda for trade expansion initiatives using a sectoral market-opening strategy. These initiatives are the 'building blocks' in opening-up global markets on reciprocal terms. This new direction builds directly on President Clinton's vision for APEC as truly dynamic force in the global economy."

At the Montreal meeting, APEC Ministers decided that APEC should adopt the ITA model and take it to another level. Specifically, trade ministers agreed that APEC should lead the way in pursuing an "ITA II" trade agreement which would go beyond tariffs, encompassing non-tariff trade barriers, and look at increasing product scope and the number of participating countries. Ministers also agreed to give a strong push to WTO financial services negotiations, with a view toward concluding a global agreement with significantly improved market access and national treatment commitments by December 1997.

APEC Ministers also established an expedited process for launching new market-opening sectoral initiatives. Such initiatives are to be developed by trade officials this summer, and presented to trade ministers for consideration this November in Vancouver, Canada. Ministers will then provide recommendations to APEC Leaders with regard to launching market-opening initiatives in a new sector or sectors. These sectoral initiatives could encompass goods as well as services, and cover tariffs, non-tariff measures, trade facilitation measures, and technical cooperation.

“In developing these sectoral initiatives, we agreed to build a critical mass of support among APEC members,” said Ambassador Barshefsky. “The participation of non-APEC members would also be sought in this process. Ultimately, as in the case of the ITA, we would turn these initiatives into binding global commitments.”

In 1993, President Clinton reinvigorated the APEC process by stressing that APEC could be a market-opening force for the world. A radical idea at the time, it was adopted by other APEC economies, and expanded on in the following year in Indonesia, with the “Bogor vision” of establishing free and open trade in the region. The 18 APEC economies account for over 50 percent of world trade.

At last year’s Leaders meeting, President Clinton also set a bold new direction for APEC. The President, noting that information technology represents the critical infrastructure for all APEC economies, advanced the ITA within APEC as a catalyst to open markets in this sector throughout the world. Thus, the critical mass of 13 APEC members turned into 28 WTO members by the Singapore WTO Ministerial, and now comprises 41 countries representing 93% of world trade in these products.